

DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS
"An Equal Opportunity Employer and Service Provider"

**APPLICATION BY A STATE-CHARTERED CREDIT UNION
TO EXPAND ITS FIELD OF MEMBERSHIP
TO A COMMUNITY CHARTER or COMMUNITY GROUP
PURSUANT TO RULE 1301:9-2-17 OF THE OHIO ADMINISTRATIVE CODE**

(Name and Location of Applicant Credit Union)

(Name of Proposed Community or Communities)

Please indicate which method of expansion you are applying for:

- Community Charter
If this expansion is selected, the credit union will be required to amend the Field of Membership Article in the Articles of Incorporation to include the a description of the community. Please enclose the filing fee of \$50.00 made payable to the Secretary of State.
- Community Charter with Select Group Provision.
If this type of expansion is selected, the credit union will be required to amend the Field of Membership Article in the Articles of Incorporation to include a description of the community. Please enclose the filing fee of \$50.00 made payable to the Secretary of State.
- Community Group/Multiple Group
If this expansion is selected and the credit union does not have select group language in its Field of Membership article an amendment will be required. **If the credit union has the select group provision, no amendment is necessary.**

Please check appropriate box and indicate in the space provided the population of the proposed expansion:

- Proposed expansion is (1) a single political jurisdiction, i.e. county, or its political equivalent, or any political subdivision contained therein, and the population does not exceed 300,000, or (2) the area to be served is in multiple political jurisdictions and the population does not exceed 200,000. Population _____
- Proposed expansion is (1) a single political jurisdiction, i.e. county, or its political equivalent, or any political subdivision contained therein, and the population exceeds 300,000, or (2) the area to be served is in multiple political jurisdictions and the population exceeds 200,000. Population _____

Credit Union Representative to be contacted for additional information:

Name

Title

Address

(_____) _____
Telephone Number

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The application must include the following:

- A. Attach as Exhibit (A), a letter demonstrating/describing how the residents of the proposed well-defined neighborhood, community, or rural district, interact or have common interest. Also, indicate the number of select groups being served in the proposed community.

Listed below are some suggested examples:

- ◆ Traffic Flows
- ◆ Major Trade Areas
- ◆ Shared Common Facilities
- ◆ Organizations/Clubs whose membership is made up exclusively of persons within the area.
- ◆ Newspapers or other periodicals published for and about the area
- ◆ Common characteristics and background of residents (old ethnic neighborhoods, history of area, etc.)
- ◆ Other documentation that demonstrates that the area is a community where individuals have common interests or interacts.

In most cases, the well-defined neighborhood, community, or rural district requirement will be met if (1) the area to be served is in a recognized single political jurisdiction, i.e., a county, or its political equivalent, or any political subdivision contained therein, and if the population does not exceed 300,000, or (2) the area to be served is in multiple political jurisdictions and if the population does not exceed 200,000. If the community charter/group meets either of these criteria, the credit union must only submit a letter describing how the area meets the standards for community interaction or common interests.

It is more difficult for a major metropolitan city, a densely populated county, or an area covering multiple counties with significant population to have sufficient interaction and/or common interests, and to therefore demonstrate that these areas meet the requirement of a well-defined neighborhood, community, or rural district. In such cases, necessity for documentation supporting the interaction and/or common interests will be greater than the evidence for a smaller and less densely populated area.

If the Division does not find sufficient evidence of community interaction or common interests, more detailed documentation will be necessary. If the area to be served does not meet the political jurisdiction (s) or population requirements, or if required by the Division, the application must include documentation to support that it is a well-defined neighborhood, community or rural district. It's the applicant's responsibility to demonstrate the relevance of the documentation provided in support of the application. This must be provided in a narrative summary. The narrative summary must explain how the documentation demonstrates interaction or common interests.

- B. Attach as Exhibit (B), a written description of the economic, geographical and social factors. The credit union should include the population information by neighborhood, city, township, or county (whichever is applicable) including all zip codes. Include the number of select groups and the potential members who are currently being served by the credit union and live, work or attend school within the requested area.
- C. Attach as Exhibit (C), a written description delineating the boundaries for the proposed expansion along with a map outlining the political jurisdiction or its equivalent.
- D. Attach as Exhibit (D), a detailed Business Plan consisting of the assumptions used to analyze the market area, along with your plans and objectives. Prepare a 5-year projection including pro-forma balance sheets and operating statements.
- E. Attach as Exhibit (E), information relating to the credit union's ALM program. This information should include the following details:
 - a) Functioning ALM committee
 - b) Identify the committee members by title.
 - c) Name the ALM software utilized by the credit union.
 - d) Indicate the lists of reports utilized by the credit union...GAP – Income Simulation
 - e) Frequency of ALM Committee meetings
 - f) Line of Credit
- F. Attach as Exhibit (F), a detailed Marketing Plan describing how the credit union plans to advertise for potential members.
- G. If the credit union has previously received approval for a community, you must also submit information relating to the growth received from that approval. Show the number of new members, deposit growth, loan growth associated with that community.
- H. A map of the requested community group (county, township, etc.) showing the current membership by zip code.

Applicants are encouraged to submit any additional information which may assist the Superintendent in rendering a decision on the Application in accordance with the factors set forth in Administrative Rule 1301:9-2-17. Furthermore, the Superintendent reserves the right to request additional information at any time to ensure a complete evaluation of the proposal. All facts, hypotheses, and forecasts in the Application must be supported by appropriate sources, references, and methodologies. **The application and all documentation remain the property of the Division, once submitted and will not be returned to the credit union.**

Factors to be considered

For the proposed community charter to be approved, it must meet the statutory criteria set forth in Ohio Administrative Rule 1301:9-2-17(C). In considering whether to approve the application for expansion of a Credit Union's Field of Membership, the Superintendent may ascertain whether:

1. The convenience and needs of the members of the applicant credit union will be served by the proposed expansion;
2. The population and economic characteristics of the potential membership pool afford reasonable promise for adequate support of the proposed expansion, thereby making the application economically feasible and advisable.
3. The policies, condition and operation of the applicant credit union afford no basis for supervisory objection;

4. The proposed expansion will occur within twelve months of approval unless the Superintendent allows otherwise; and
5. Any other pertinent factors relating to the Field of Membership expansion exist.